(b) the number of persons in office in these establishments have lost jobs or have accepted VRS since introduction of Disinvestment policy in the country?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) During the last five years, Government has disinvested its equity through Strategic Sale alongwith the transfer of management control in 12 Public Sector Undertakings (PSUs), 19 hotel properties of ITDC and through slump sale 3 hotel properties of Hotel Corporation of India Ltd. M the time of disinvestment, out of these 34 cases, 9 were of profitable concerns.

(b) As informed to this Ministry by 9 disinvested PSUs, 15 disinvested hotels of ITDC and 2 hotels of Hotel Corporation of India, against an initial strength of 44,238 employees at the time of disinvestment, 8458 employees availed of VRS 918 employees retired and another 1060 employees left for other reasons. As against a total of 10,436 separations, 1478 new employees have been recruited, giving a net reduction of 8958 employees or around 20% of the employees at the time of disinvestment.

Disinvestment of BALCO, VSNL, IPCL, and Centaur Hotel

253. DR. MANMOHAN SINGH: Will the Minister of DISINVESTMENT be pleased to state:

(a) in the context of disinvestment/privatisation of BALCO, VSNL, IPCL and Centaur Hotel, the valuation of each of above mentioned enterprises as a going concern and valuation of unused land and other assets; and

(b) the term and conditions of shareholder's agreements with the successful bidders in each of the above mentioned enterprises?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Valuaticn of the PSUs being disinvested is done by professional Advisors who submit valuation estimates using four internationally recognised methodologies (Discounted Cash Flow Method (DCF), Balance Sheet Method, Transaction Multiple Method and the Asset Valuation Method) and their recommended value based on these estimates to a specially constituted Inter-Ministerial Evaluation Committee. The Committee, based on the report of the Advisors,

determines the Reserve Price for the equity being disinvested. While the DCF method is appropriate for a going concern, the Asset Valuation method is relevant only if the company is being liquidated. The Reserve Price in respect of the equity being disinvested in BALCO, VSNL, IPCL and Centaur Hotel, Mumbai along with the bid price in each case was as follows:—

(Rs. Crore)

Sl. No.	Name	Reserve Price	Bid Price
1	BALCO	514.40	551.50
2	VSNL	1218.37	1439.25
3	IPCL	845.00	1490.84
4	Centaur Hotel, Juhu Beach, Mumbai	101.60	153.00
5	Centaur Hotel Airport, Mumbai	78.30	83.00

(b) A Shareholders Agreement (SHA) is entered into with a Strategic Partner (SP) by the Government, in those cases where less than the entire amount of equity held by Government is being sold. It stipulates the rights and obligations of the signatories to be fulfilled during the period of the Agreement. Some of the provisions inbuilt, in the SHA are protection of employees' interest, prevention of asset stripping, restriction on transfer of shares by the SP and affirmative voting right of the Government exercised through Government Nominee Director in certain matters. In the case of disinvestment of Hotel properties, since the entire holding of the Government was sold, no Shareholders Agreement was signed and only a Sharepurchase Agreement was entered into with the Purchaser.

VRS and CRS in disinvested PSUs

†254. SHRI HARISH RAWAT: Will the Minister of DISINVESTMENT be pleased to state:

(a) the number of employees retired so far under the VRS and CRS in public sector undertakings in which disinvestments have been made;

(b) whether Government have constituted any committee or task force for studying conditions of rehabilitation of such retired employees;

† Original notice of the question was received in Hindi.